

that the deficit is a cancer, that we owe it to our children and grandchildren to cut the deficit. Well, to them I say: Congratulations because for one of the first votes after returning to Washington, you are going to vote to put over \$9,300 more debt on the head of every child in America. Way to go. And what is that for? To give an average tax cut of \$100,000 to Americans making over \$1 million a year.

My friends, on this subject, have been saying to us: Haven't you learned the lesson of the election? I do not recall permanent tax cuts for millionaires being on any ballot. In fact, let's take a look at the exit polls conducted by Edison Research, the exclusive provider of the national election exit polls for all of the major TV networks and the Associated Press. In their poll, they found that roughly 60 percent of Americans wanted to end tax cuts for income over \$250,000. More recently, a Quinnipiac poll said that only 35 percent of Americans wanted the Bush tax cuts extended for those with incomes over \$250,000.

Of course the American people feel this way. They know what has been happening over the last 20 years in this country. According to the Economic Policy Institute, during the past 20 years, 56 percent of all income growth went to the top 1 percent of households. Even more unbelievably, a third of all income growth went to just the top one-tenth of 1 percent. The wealthy have done extremely well for themselves over the past 20 years. Unfortunately, this is why the middle class has done decidedly worse. When we adjust for inflation, the median household income actually declined over the last decade. During those years, while the rich were getting richer, the rest of working America was struggling to keep up. We have been growing apart. The American people know this.

Now, working Americans are forced to listen to Republicans as they demand that everyone needs to share in the pain; we are all in this together.

The IRS published a study analyzing the tax returns of the wealthiest 400 Americans. Want to take a guess at what their average effective tax rate was? Just over 16.5 percent. Is that sharing the pain? Are they sharing the pain just like everybody else?

Frankly, I am a little tired of being lectured to by my friends on the other side of the aisle on the deficit. We all know Bill Clinton inherited the largest deficit in history from George H.W. Bush and then handed George W. Bush the largest surplus in history. Then George W. Bush nearly doubled the national debt and also handed Barack Obama the largest deficit in history. Of course, my friends controlled the Congress for most of those Bush years.

Today, we are talking about how to get our economy going and keep deficits down at the same time, while what we are discussing right now is whether to restore the Clinton marginal tax rate on the very wealthiest of Ameri-

cans. I remember that when he raised the tax rate on the top 2 percent, Republicans said that would kill the economy. Newt Gingrich—remember him—on August 5, 1993, said:

I believe this will lead to a recession next year. This is the Democrat machine's recession, and each one of them will be held personally accountable.

Senator Phil Gramm—remember him—said:

The Clinton plan is a one-way ticket to recession. This plan does not reduce the deficit . . . but it raises it and puts people out of work.

Governor-elect John Kasich said:

This plan will not work. If it was to work, then I would have to become a Democrat.

Congratulations, Ohio, on electing a Democratic Governor.

Mr. President, 22.7 million jobs and a giant surplus later, George W. Bush waltzes into office and says: Hey, we are running a surplus. The people deserve a tax cut.

Let's recall what he said about his tax cut. He said over and over again:

By far, the vast majority of the help goes to those at the bottom end of the economic ladder.

Wow. That sounds like the bottom got the vast majority of the tax cuts, doesn't it? They didn't. Actually, the bottom 60 percent of Americans got just 14.7 percent of the Bush tax cuts. The top 1 percent got 29.5 percent of the tax cuts, which is exactly double. Let me repeat that. The top 1 percent got double of what the bottom 60 percent got.

The results of this new policy? Massive deficits. Only 1 million new jobs over the 8 years of the Bush Presidency, compared to 22.7 million during Clinton's 8 years. My friends in the minority want to go back to that discredited economic policy.

The figleaf here is small business. They attack us and say that not cutting taxes on the richest Americans will hurt small business. Well, it seems that, to my friends, some small businesses are more important than others. Why did they block us for months on passing the Small Business Jobs Act, which gave tax cuts to small businesses and created a \$30 billion line of credit for small businesses on Main Street? Why did they oppose the HIRE Act, which gave large tax cuts to small businesses to encourage them to hire unemployed workers? Well, it seems these aren't the small businesses my friends are so concerned about. When you and I think about small businesses, we picture the mom-and-pop grocer down the street somewhere in Oregon or Minnesota or maybe a hardware store or a small precision manufacturing operation—we have a lot of those in Minnesota. We probably think of them as small businesses because they are small. They probably have a few employees, one location, and make a modest but comfortable living doing it.

Republicans are trying to scare us into believing that the grocer and the

hardware store owners will shutter their doors and fire people if we return the top two tax brackets to previous levels. But that is simply not the case.

In reality, only 3 percent of small businesses will be affected by this change. Yet you will hear Republicans tout that these top 3 percent of businesses make up 50 percent of the total small business income. That tells you one important thing—that those 3 percent of small businesses aren't truly small businesses. Only under the broadest, most arbitrary of definitions are these businesses small.

When many of my friends on the other side of the aisle talk about small businesses, they are including anybody who uses a flowthrough business entity—so an S corp or a partnership. They are not defining a small business by size, profits or the number of people they employ. They are defining it on a technicality.

Under their definition, Bechtel, the fifth largest company in the United States, is a small business. The Koch brothers, who run a petroleum company with nearly \$100 billion in annual revenue, are considered a small business. They are worth about \$16 billion each. Law firm partners and Wall Street bond traders are considered small businesses.

So Republicans are using the mom-and-pop grocery store to defend the continuation of these tax cuts. In reality, the only people they are helping are the Bechtels and the Kochs of the world and maybe Derek Jeter, Inc.—he deserves every dollar he gets—and Mel Gibson, Inc.—maybe he has had a bad year—and other likely “small business” beneficiaries.

At the same time that Republicans are demanding unpaid-for tax cuts for the Koch brothers, they are insisting we pay for a continuation of the emergency unemployment insurance program. They want to pay for it, even though unemployment benefits have been shown to be an extremely effective stimulus—in fact, one of the most effective stimulus measures. Why? Because when unemployed workers get their checks for a couple hundred dollars, they go to their local mom-and-pop grocery store and buy food. They spend that money right away in their communities in real small businesses.

It is the holidays. Can they afford to buy a small Christmas present for their kids? I am worried that there are those among us who would say: No, no presents.

The Republicans say these unemployment benefits are too expensive. They demand that these benefits must be paid for. But tax cuts for the richest people in America—no need to pay for those. Adding \$700 billion to the deficit—or actually \$830 billion when factoring in extra interest payments—that is no problem. I hear my friends on the other side say we are going to have to make some hard choices. I agree. The deficit is a problem. Getting it under control will take shared sacrifice.